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Acting Chief, Economic Research, ORR

7 December 1959

Acting Chief, Materials Division, ORR

Topics for Future Discussion or Consideration by the National Security Council

REF : Memorandum from Gordon Gray, Special Assistant to the President, to the DCI, same subject, dated 3 December 1959.

1. Preliminary studies in D/M indicate that, if planned rates of industrial growth are maintained, the European Satellites as a whole will be deficient in self-produced energy supplies beginning about 1965. Even at materially reduced rates of industrial growth, after 1965, the energy requirements of the Satellites may outstrip the total production capabilities of the Soviet Bloc. We propose to pursue research in this direction looking forward to at least 1975 in order to develop the implications of such a deficiency.

2. It is suggested that we, and perhaps the NSC, should be concerned more broadly with the economic capabilities and vulnerabilities of the Bloc after 1965. It is possible that the USSR may again tend to over-extend its raw material and energy base, and with this knowledge in advance, be influenced in its relations with other Bloc countries and its plans for economic alignment with underdeveloped countries.

3. The implications of strategic material deficiencies or decreased growth rates between 1965 and 1975 are many. Consider, for example, the possibility that the European Satellites may have to depend on the Middle East for a significant share of the latter's petroleum production by 1975 and may as a corollary have to produce a marketable surplus of other goods sufficient to pay for such petroleum imports.

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